

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

APPLICATION OF SOUTHERNNET, INC. FOR A)	
CERTIFICATE OF PUBLIC CONVENIENCE AND)	
NECESSITY TO PROVIDE LONG DISTANCE)	CASE NO. 89-134
TELECOMMUNICATIONS SERVICES, INCLUDING)	
OPERATOR ASSISTED SERVICES, STATEWIDE)	
AS A WATS RESELLER WITHIN THE)	
COMMONWEALTH OF KENTUCKY)	

O R D E R

On May 18, 1989, SouthernNet, Inc. ("SouthernNet") filed its application with the Commission seeking a Certificate of Public Convenience and Necessity to provide statewide long distance telecommunications services, including operator-assisted services, as a WATS¹ reseller within the Commonwealth of Kentucky.

On March 26, 1990, the Commission issued an Order certifying SouthernNet as a WATS reseller, not a facilities-based carrier, on an interim basis, pending the outcome of Administrative Case No. 323,² and contingent upon SouthernNet's compliance with originating and terminating traffic on local exchange companies' access services and WATS, respectively. SouthernNet was also

¹ Wide Area Telecommunications Service.

² Administrative Case No. 323, An Inquiry Into IntraLATA Toll Competition, An Appropriate Compensation Scheme for Completion of IntraLATA Calls by Interexchange Carriers, and WATS Jurisdictionality.

certified to provide interLATA³ intrastate operator-assisted telecommunications services as long as it complies with all provisions, restrictions, and conditions of service outlined in the Administrative Case No. 330⁴ Orders.

On March 30, 1990, SouthernNet filed a motion for reconsideration of certain aspects of the March 26, 1990 Order. SouthernNet requested that it be allowed to identify itself as "Telecom*USA," its parent company, in its operator-assisted services.

On April 16, 1990, SouthernNet filed a motion requesting that it be authorized to carry originating intraLATA calls on local exchange companies' special access services, in addition to switched access services. SouthernNet also requested authority to terminate intraLATA calls over other local exchange companies' services as an alternate routing, in addition to WATS.

On September 20, 1990, the Commission issued an Order denying SouthernNet's request to identify itself as "Telecom*USA" in its operator-assisted services and requiring that SouthernNet shall identify itself as "SouthernNet" to end-users of its operator-assisted services. The Commission found that for SouthernNet to brand calls "Telecom*USA," an entity owning nine

³ Local Access and Transport Area.

⁴ Administrative Case No. 330, Policy and Procedures in the Provision of Operator-Assisted Telecommunications Services.

facilities-based carriers, obliterates the distinction between SouthernNet and its facilities-based affiliates. If the Commission were to approve SouthernNet's request, SouthernNet would be operating in Kentucky under the name of an entity that owns facilities-based carriers, yet it has only the authority to provide resold intraLATA services in Kentucky. Therefore, the Commission found SouthernNet's request unreasonable. The Commission also denied SouthernNet's petition to terminate the calls over other local exchange companies' services as an alternate routing. Terminating the calls by any route other than local exchange companies' WATS would not comply with the Commission's decisions and policies regarding intraLATA competition. Finally, the Commission granted SouthernNet's petition to originate the calls on local exchange companies' special access services, in addition to switched access services. The Commission found that since local exchange companies' special access services are available through access tariffs to interLATA carriers, allowing SouthernNet to originate the calls on local exchange companies' special access services, in addition to switched access services, is consistent with Commission policies, as long as SouthernNet terminates such calls over local exchange companies' WATS.

On November 19, 1990, SouthernNet filed a letter requesting to amend its tariff to an interLATA-only tariff. SouthernNet stated that it is not able to comply with the Commission's

requirement to brand operator-assisted calls with the name "SouthernNet" rather than "Telecom*USA," which is done in other jurisdictions, due to the system constraints. Furthermore, SouthernNet stated that by amending the tariff, it will not have any greater operating authority than a facilities-based carrier. In other words, SouthernNet, a reseller, will not have intraLATA authority. SouthernNet believes the Commission's concerns regarding consumer confusion and operating authority distinction between facilities-based carriers and resellers will be resolved by this tariff change.

The Commission, having considered the evidence of record and being otherwise sufficiently advised, HEREBY ORDERS that:

1. The portion of the Commission's March 26, 1990 Order that granted SouthernNet authority to provide statewide telecommunications services as a WATS reseller is hereby vacated.

2. SouthernNet's request to amend its tariff to provide only interLATA service shall be granted.

3. SouthernNet shall have authority to identify calls to its operator-assisted services in Kentucky under the name of "Telcom*USA."

4. SouthernNet's tariff shall specifically state that SouthernNet will be doing business in Kentucky under the name "Telecom*USA."

5. SouthernNet is not authorized to provide any intraLATA telecommunications services.

6. SouthernNet shall fully comply with the provisions of the May 25, 1984 and October 26, 1984 Orders in Administrative Case No. 273.⁵

7. SouthernNet shall fully comply with all the guidelines, restrictions, requirements, and conditions of service outlined in the September 8, 1989 and January 15, 1990 Orders in Administrative Case No. 330 which were also outlined in the Commission's March 26, 1990 Order in this proceeding.

8. SouthernNet shall comply with any further Orders in Administrative Case No. 330.

9. SouthernNet's tariff shall specifically include prohibition requirements regarding blocking/interception to competing carriers' operators and local exchange companies' operators and tent card/sticker provision by aggregators.

10. SouthernNet's tariff shall include "Time-of-Day rates" consistent with the rates prescribed in Administrative Case No. 330 Orders, and holiday rates in accordance with Section A5.3.1.E. of AT&T Communications of the South Central States, Inc.'s Tariff A.

11. SouthernNet's tariff shall specifically state that customers will not be billed for uncompleted calls.

12. SouthernNet's 800 Services, Travel Services, and special/dedicated services shall only be provided under the following conditions:

⁵ Administrative Case 273, An Inquiry Into Inter- and IntraLATA Intrastate Competition in Toll and Related Services Markets in Kentucky.

a. SouthernNet shall measure and report interstate and intrastate jurisdictional usage and interLATA and intraLATA usage and shall file the reports with the Commission on a quarterly basis.

b. SouthernNet shall inform its prospective customers that the use of these services to complete intraLATA calls is not authorized by the Commission.

c. SouthernNet shall be prepared to compensate local exchange companies for unauthorized call completion.

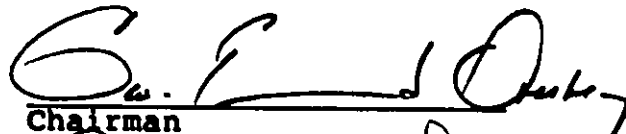
13. SouthernNet shall fully comply with the Commission's decisions in Administrative Case Nos. 323 and 328,⁶ now pending, that may apply to SouthernNet's Kentucky operations.

14. Within 30 days from the date of this Order, SouthernNet shall file its tariff sheets in accordance with 807 KAR 5:011. SouthernNet's tariff shall fully conform to all the restrictions and conditions of service contained herein and all the provisions of Administrative Case No. 330 Orders.

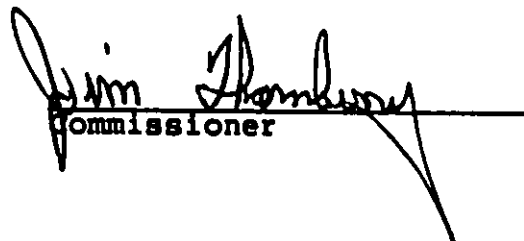
⁶ Administrative Case No. 328, Investigation Into Whether WATS Resellers Should be Included in the ULAS Allocation Process.

Done at Frankfort, Kentucky, this 18th day of January, 1991.

PUBLIC SERVICE COMMISSION


Chairman


Vice Chairman


Commissioner

ATTEST:


Executive Director